

ACCOUNT VALIDATION SERVICE TERMS AND CONDITIONS BOOKLET

The Account Validation Service ("AV Service") is a service that allows Client to validate their intended beneficiary's receiving account or "Target Account", before initiating a funds transfer such as an ACH, domestic wire, or Instant Payment. An Account Status inquiry can be submitted to confirm a beneficiary's Target Account is open and valid, or an Account Status and Ownership inquiry can be used to confirm the beneficiary's Target Account and validate the account name. The AV Service can validate information in respect of domestic accounts only. As a condition to providing the AV Service, Client must first qualify to participate in the National Shared Database by completing the Reseller Payment Participant Application (RPPA) and submitting it for approval by the National Shared Database Servicer. Client acknowledges that M&T has no control over the National Shared Database (NSD) Servicer's approval process.

As part of the NSD Servicer approval process, Client will be classified into one of five different categories, and the rules governing use of the AV Service which apply to members of each category vary. The five NSD classifications are: (a) Financial Institution (FI), (b) Financial Services Company (FSC), (c) Payment Processing Company (PPC), (d) Merchant (MERCH), and (e) Government Entity (GOVT) and its related classification – Government-Sponsored Enterprise (GSE).

Definitions

Capitalized terms not defined in these T&C or the Master Agreement are defined in the NSD Operating Rules.

"Account Owner Authentication" or "AOA" means an Inquiry will generate Response Data based on an identity-to-account matching validating a Target Account's owner or authorized user based on account owner data contributed to the NSD.

"Account Owner Elements" or "AOE" means an Inquiry will generate Response Data validating a Target Account's owner, authorized users and the address associated with the Target Account based on account data contributed to the NSD.

"Client Data" means the prescribed data (as described in the NSD Operating Rules) Contributors are required to contribute to the NSD Servicer.

"Contribute" or "Contribution" means the transmittal of Client Data to the NSD Servicer by Client either directly to the NSD Servicer or in-directly through M&T.

"Contributor" means an entity that is required under the NSD Rules to transmit certain specific data elements to the NSD Servicer.

"Documentation" means the Agreement, any agreement between the NSD Servicer and M&T and any other documentation required or disseminated by M&T in connection with the Account Validation Service.

"Financial Institution" or "FI" means an insured retail or commercial bank or credit union, chartered under the laws of the United States or any State or the Territories, engaged in business of receiving deposits, managing withdrawals, and making loans.

"Financial Services Company" or "FSC" means an entity that offers one or more of the following financial services or products and are subject to regulation and supervision by applicable federal or state authorities of the US or Territories: lending, insurance or broker-dealer.

"Government Entity" or "Govt" means a local, state, and federal government agency of the United States or the Territories and their contractors; or a Government-Sponsored Enterprise.

"Government-Sponsored Enterprise" or "GSE" means a privately held corporation with public purposes created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy. Members of these sectors include students, farmers, and homeowners. Examples of GSEs include Federal Home Loan Bank, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Federal Farm Credit Bank and the Resolution Funding Corporation.

"Inquiry" and "Inquiries" means each and all requests for Response Data from the NSD by Client.

"Inquiry Data" means the information contained in an Inquiry. The required Inquiry Data can vary depending on the type of Inquiry and the NSD Operating Rules.

"Inquiry File" means a file containing Inquiry Data in respect of the Inquiries Client wishes to make, submitted to M&T for submission to the NSD Servicer or directly to the NSD Servicer.

"Item" means either: (a) a physical check; (b) an image replacement document (IRD); (c) MICR line information; (d) an automated clearinghouse entry; or (e) an item as defined in the Uniform Commercial Code.

"Item Level Data" means information about a Target Account with a Contributor relating to Return Item Data and/or Stop Pay Data.

"Merchant or "Merch" means an entity (including a nonprofit organization) that accepts Items as payment from or remits Items as payment to consumers or entities in connection with the sale of goods or services offered or provided by such entity.

"National Shared Database" or "NSD" means the collection of data maintained by the NSD Servicer in one or more databases.

"Non-Client Data" means information about a Contributor's experience with a Target Account, other than a Target Account with a Contributor, consisting of Transit Data and Return Item Data.

"NSD Operating Rules" means the applicable rules and procedures that govern participation in, and use of the National Shared Database and the services covered thereby, as amended from time to time.

"NSD Servicer" means entity that manages and maintains the NSD.

“Participant” means an entity that participates in the NSD.

“Payment Processing Company” or “PPC” means an entity that uses the AV Services in connection with providing one or more of the following payment processing services to Financial Institutions, Financial Services Companies, Merchants, or Government Entities: check acceptance and guarantee, check collection, remittance processing, check printing, bill payment, payroll, acquirer processing, disbursements.

“Reseller Payment Participant Application” or “RPPA” means a non-negotiable form agreement between the Client and M&T Bank as the Reseller and the NSD Servicer. The RPPA will be submitted to NSD Servicer to certify and approve or deny access to the NSD. The RPPA must be completed in its entirety to determine the Client Characteristics, Client Category, Use Case(s) and the method by which Client will connect and store information from the NSD Servicer.

“Response Data” means information transmitted by M&T or the NSD Servicer to Client in response to an Inquiry by Client.

“Return Item Data” means information, in the form of a code, relating to an outgoing or incoming Item that is returned or as to which notice of nonpayment is provided.

“Scored Account Data” means information relating to a Target Account, based upon Non-Client Data, in the form of a code.

“Stop Pay Data” means information about a Target Account with a Contributor relating to stop pay instructions on an Item or range of Items associated with the Target Account.

“Target Account” means an account which is the subject of an Inquiry; a Target Account is an account as defined by the Board of Governors of the Federal Reserve System in Regulation CC, 12 C.F.R. § 229.2(a), and may also include: a savings account, a money market account, a credit account, or a brokerage account held by a consumer or a company at a FI or FSC or other business relationship currently existing or pending between a FSC and a consumer or a company.

“Target Account Owner Elements Data” or “AOE Data” means information about a Target Account and Status Data and the related Target account owner(s) consisting of one or more of the types of information as set forth in these AV Service terms or the NSD Rules as applicable to Client.

“Target Account Status Data” means information relating to the status of a Target Account with a Contributor in the form of a code to validate if the Target Account is open and valid.

“Transit Data” means information identifying an Item by routing and Target Account number relating to a Target Account that is maintained by a Contributor.

“Technical Integrator” means a commercial data processing or data transmission service organization that has been designated by a Participant to act on its behalf as an agent in: (a) the transmittal of Contributed Data to the National Shared Database; (b) the transmittal of Inquiries to the National Shared Database; and/or (c) the receipt of Response Data from the National Shared Database.
Formerly known as Processor.

“Use Case” means how information can be used in a specific way or manner or to achieve a specific purpose. Client may be restricted to certain Use Cases based on its NSD classification category. The Use Cases can be found in Table 1.3 of the NSD Operating Rules and are the sole and exclusive Use Cases of Contributed Data; any use of Contributed Data not expressly listed as a Use Case in the NSD Operating Rules is not permitted. A listing of Authorized Use Cases can also be found on the RPPA. A description of Use Cases 1-6 is below:

- i. UC-1 – Determine whether to accept an Item for payment, initiate an Item for payment or enroll an Account for the purpose of accepting or initiating Items for payment in the future.
- ii. UC-2 – Determine whether to accept an Item for payment, initiate an Item for payment or enroll an Account for the purpose of accepting or initiating Items for payment in the future in connection with goods or services offered or provided by the Participant.
- iii. UC-3 – As a factor in verifying or guaranteeing an Item.
- iv. UC-4 – Determine whether to delay or restrict the open to buy decision.
- v. UC-5 – Validate that (1) the Consumer is an authorized accountholder, user or signatory of the Account, or (2) the Company name is associated with the Account.
- vi. UC-6 – Validate the status of an Account in determining whether to process a check order.

“Verify Payment” means an Inquiry which provides Target Account transaction history and other information about the Target Account, such as stop payment or returned Items.

General Terms and Conditions Governing the AV Service

Overview of the National Shared Database. The NSD is a database managed and maintained by the NSD Servicer containing information primarily about bank accounts, but other types of accounts as well and account transaction history. By means of submitting an Inquiry to the NSD, information can be obtained that can help to reduce fraud. M&T offers clients the ability to submit Verify Payment w AOA Inquiries, also known as Payment Check (or Real Time Payment Check) which allows Client to receive Response Data about the Target Account’s status and risk scores in real-time to assist in assessing return risk and confirming Target Account ownership and/or authorized user(s) based on the data Contributors have provided to the NSD. For example, Client could make a Verify Payment Inquiry to validate the Target Account: (a) number appearing on a check and other item before accepting it for payment or clearing (b) owner or authorized user(s) of the Target Account before submitting ACH Entries or payment orders such as wires to M&T for processing.

Submitting Inquiries to M&T. Client can make an Inquiry by entering Routing and Target Account Number information and Target Account Ownership information via Treasury Center or by uploading an Inquiry File to M&T containing Inquiry Data regarding Items, ACH Debit Entries and Credit Entries including the transit routing and account number of checks or other items, Debit Entries and Credit Entries. If the Inquiry Data provided by Client is incomplete, an error code will be generated.

Submission of Inquires to NSD. Upon receipt of an Inquiry File from Client, M&T will review the Inquiry Data contained therein and, if all Inquiry Data is present, M&T will submit the Inquiry Data to the NSD Servicer for processing.

Client Report. After NSD has processed Client's Inquiry(ies) and provided Response Data back to M&T, M&T will use such Response Data to produce a report and transmit the Client Report to Client via a direct file data transmission, or by making the Client Report available within Treasury Center. For each Item, Debit Entry, or Credit Entry that is the subject of a Verify Payment Inquiry, the Client Report will indicate whether the: (i) Target Account number is a valid checking account included in the NSD, (ii) Target Account number is not located on the NSD or is not related to a demand deposit account, (iii) Target Account number has history of return Items, and/or (iv) Target Account number is not a valid account included in the NSD, by means of a "no response" designation.

Client Decisioning. Upon receipt of a Client Report, Client will have additional information to assist it in deciding whether to accept Items as payment or submit ACH Debit Entries and Credit Entries to M&T for origination.

SIG Questionnaire. As a condition precedent to receipt of AV Services, Client shall complete and deliver to M&T (and M&T may share with the NSD Servicer) Client's Assessment Significant Information Gathering (SIG) Questionnaire. M&T shall have the right to audit Client to confirm the accuracy of information appearing in Client's SIG Questionnaire or request Client provide to M&T a copy of its most recent third party data processing audit or review (e.g., SOC2-Type II, ISAE 3402, SSAE 16 or equivalent based upon American Institute of Certified Public Accountants (AICPA) standards, Acceptable Use Procedures (AUP), etc.) as conducted by its external auditors related to the AV Service.

1. **Audit Rights.** M&T and the NSD Servicer shall have the right to audit Client's relevant processes and procedures to verify Client's compliance with the terms of these AV Service terms and/or the NSD Operating Rules.
2. **Clients' Security Program.** As each Client Report contains sensitive and confidential information, Client agrees to maintain a written information security program that contains administrative, technical and physical safeguards designed to: (a) ensure the security and confidentiality of personally identifiable data; (b) protect against any anticipated threats or hazards to the security or integrity of personally identifiable data; (c) protect against unauthorized access to or use of Response Data that could result in substantial harm or inconvenience to any customer or Client; (d) limit access, use and disclosure of Response Data as expressly permitted by these T&C; (e) ensure the proper disposal of Response Data, (f) ensure the encryption of Response Data at rest using a current industry acceptable encryption method (e.g., AES-256 or stronger encryption); and (g) comply with applicable law. Client's information security program must be designed to: (i) meet the objectives of the Interagency Guidelines Establishing Information Security Standards promulgated by the federal banking agencies as amended from time to time, and (ii) include control objectives that meet applicable industry standards such as ISO 27002, FFIEC, OCC, PCI, or NIST. Client will promptly notify M&T of any material modification to Client's information security program but only as it relates to the protection of Response Data.

Breach in Security. In the event of a breach in security resulting in actual or suspected loss of or unauthorized access to Response Data, Client shall: (a) immediately notify M&T; (b) conduct a forensics examination to determine to what extent Response Data was compromised; (c) provide to M&T, in writing, details concerning the breach, including: (i) nature and impact of the breach, (ii) assessment of immediate risk due to the breach, (iii) corrective actions already taken, and (iv) corrective actions to be taken; (d) cooperate with M&T and the NSD Servicer and any affected inquirers, contributors, regulators or law enforcement to assist in regaining possession of the Response Data and in preventing its further unauthorized use and to notify affected consumers if required by applicable law; and (e) take measures to restore and enhance its security policies and procedures to avoid further breaches.

No Criminal Access. Client shall not knowingly permit any of its directors, officers, employees, contractors, subcontractors, attorneys, auditors and accountants, to utilize the AV Service or any Client Report containing Response Data if the person has been convicted of a crime in connection with: (a) a dishonest act, breach of trust, or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, as described in Section 19 of the Federal Deposit Insurance Act, 12 U.S.C. § 1829(a); or (b) a felony.

Use of Response Data. Client shall not merge, aggregate or compile Response Data into any other database for use in connection with future Inquiries. Client shall not sell, sublicense, transfer or otherwise provide the Response Data to any other entity, person or organization, except in the case of a Technical Integrator as permitted by these T&C. Client agrees that the Response Data is time sensitive and shall only be used in connection with the specific Inquiry for which it was requested. If the Client uses Response Data to take adverse action against the consumer about whom the Response Data relates, the Client agrees to refer such consumer to the NSD Servicer for handling disputes concerning the completeness or accuracy of any item of information contained within the Response Data.

Suspension of Service. M&T or the NSD Servicer may suspend the AV Service upon notice to Client if Client does not comply with the requirements of these T&C or M&T or the NSD Servicer is unable to verify Client's compliance with the requirements of these T&C to M&T's and the NSD Servicer's reasonable satisfaction.

Third-Party Beneficiary. The NSD Servicer is a third-party beneficiary of the terms governing the provision of the AV Service and the NSD Servicer retains the right to enforce the terms of the AV Service terms against Client. Notwithstanding the forgoing, the NSD Servicer shall have no liability arising out of the terms governing the AV Service, including, without limitation, any duties, or obligations (contractual, at law or otherwise) owed by M&T to Client or by Client to M&T under the terms governing the AV Service.

Client ID. M&T will assign Client a unique identification number ("Client ID"). Additionally, if Inquiries are transmitted for multiple divisions or affiliates of Client, Client will assign each such division and/or affiliate a unique Client ID, and that unique Client ID must appear in the Inquiry file for all Inquiries transmitted for such unique Client ID. Client shall not use any Client ID in any Inquiry that is made for a customer, any of its divisions or its affiliates, other than the customer, applicable division, or affiliate for which such Client ID is assigned. M&T or the NSD Servicer will define how the various Client ID fields within the Inquiry file are required to be populated during the AV Service implementation phase.

NSD Operating Rules. Client agrees to be bound by those provisions of the NSD Operating Rules applicable to Client's use of the AV Service. Client agrees that any conflict between any of these AV Service terms and the NSD Operating Rules will be resolved in favor of, and governed by, the NSD Operating Rules.

Additional Terms if Client is for a Technical Integrator

Transmission by Technical Integrator. References in the following paragraphs to “**Technical Integrator**” refer to Client acting in its capacity as a Technical Integrator. Technical Integrator shall transmit to its customers only a translated decision such as an “accept” or “decline” decision and shall not transmit to its customers Response Data unchanged.

Technical Integrator shall prohibit customers that receive a response that comprises or is derived from, in whole or in part, Response Data, from selling, reselling, sublicensing, or otherwise transferring any part of such response to any other person or entity, unless approved in writing by M&T or the NSD Servicer.

Notice of Investigation. If Technical Integrator receives notice, from any source, that: (a) a customer that receives any response that comprises or is derived from, in whole or in part, Response Data; (b) any individual or entity that holds a controlling interest in such customer; (c) any member of the customer’s board of directors or equivalent governing body; (d) any officer or manager of such customer; or (e) any other employee that has access to Response Data or has decision-making authority on how the AV Service is used or marketed (each of the foregoing, a “Regulated Party”), is the subject of an investigation or other action by any Federal, state or local governmental, administrative or regulatory body, Technical Integrator will immediately notify M&T of such investigation or other action. M&T or the NSD Servicer, in their discretion, may require that Technical Integrator cease providing responses comprised in whole or in part of Response Data to that customer. Not more than five (5) days following Technical Integrators receipt of M&T’s or the NSD Servicer’s notification to cease providing such responses to the customer, Technical Integrator will provide M&T and/or the NSD Servicer written certification that it: (a) has ceased providing, (b) does not currently provide, and (c) will not provide in the future, responses comprised, in whole or in part, of Response Data to the customer that is subject to, or is controlled by a Regulated Party that is subject to, the investigation or action.

Vetting Requirements. Technical Integrator will establish and maintain procedures for assessing its customers that receive any response that comprises or is derived from, in whole or in part, Response Data. Such procedures shall meet or exceed the Minimum Requirements for Customer Vetting which may be modified by M&T or its Servicer upon notice to Technical Integrator (the “**Vetting Requirements**”). In addition to any other audit rights of M&T or its Servicer described in the Agreement and these T&C and, M&T and its Servicer shall have the right, once per calendar year, to review

Technical Integrator’s vetting procedures and evidence of such customer assessments completed by Technical Integrator. In addition to the foregoing review rights, Technical Integrator agrees that if M&T or its Servicer reasonably believes that Technical Integrator is not complying with the Vetting Requirements, M&T and its Servicer shall have the right to inspect and audit Technical Integrator’s records and procedures related to Technical Integrator’s obligations under this paragraph during normal working hours, and in a manner as to minimize interference with Technical Integrator’s normal business activities.

Permitted Use Cases of the AV Service.

Client acknowledges that its ability to use information for different Use Cases will be based on Client’s NSD classification category. Client agrees that the Use Cases set out in Table 1.3 of the NSD Operating Rules are the sole and exclusive Use Cases of Contributed Data; any use of Contributed Data not expressly listed as a Use Case is not permitted.

Client agrees that it shall use the AV Service and Response Data subject to the terms and conditions of the Documentation, and based on its Participant Category, solely for Client’s permitted Use Cases as set out below:

| Participant Category | Permitted Use Cases |
|--|---------------------------------|
| Financial Institution (FI) | UC-1, UC, 3, UC-4, UC-5 or UC-6 |
| Financial Services Company (FSC) | UC-1, UC, 3, UC-4, UC-5 or UC-6 |
| Payment Processing Company (PPC) | UC-1, UC, 3, UC-4, UC-5 or UC-6 |
| Merchant (MERCH) | UC-2 or UC-5 |
| Government (GOVT) Government-Sponsored Enterprise (GSE) | UC-1 or UC-5 |

Restrictions on Use of Target Account Status Data. Client shall not refuse or decline an Item based solely on the following Response Data: **No Information; No Known Information; Not Located; Non-DDA; Broker Check; Credit Card Check; Home Equity Check; or Line of Credit Check.**

Client hereby authorizes the NSD Servicer to use Inquiry Data and Client Data (if Client Data is required to be contributed by Client), for the purpose of: (a) providing the Account Validation Service; (b) preparing statistical reports and conducting data analytics, parsing routines, data modeling, and other analyses to test and evaluate the NSD Servicer’s services; (c) developing and providing new services or enhancements to the existing NSD Servicer’s services; (d) developing and providing services to third parties engaged in the business of offering identity theft protection services to consumers, provided that no personally identifiable information shall be returned to any such third parties, and; (e) retention as required by Applicable Law and as necessary for reasonable record keeping purposes pursuant to the NSD Servicer’s record retention policies.

Client hereby authorizes the NSD Servicer to use Inquiry Data for the purpose of: (a) providing the Account Validation Service, and (b) retention as required by Applicable Law and as necessary for reasonable record keeping purposes pursuant to the NSD Servicer’s record retention policies.

PERMITTED USES OF RESPONSE DATA

Client agrees that the Account Verification Service will provide Response Data only to be used to verify that the recipient or the initiator of a payment, as

the case may be, is the owner of the Target Account which the payment is being deposited into or is being drawn from, as the case may be, and to confirm whether that the Target Account is open or closed.

Client acknowledges and agrees that the Account Verification Service is not a "consumer report" as defined in 15 U.S.C. §1681a(d) of the Fair Credit Reporting Act ("FCRA") (15 U.S.C. 1681 et seq.) and is not provided to be used, and shall not be used, as a factor in determining a consumer's eligibility for any purpose covered by the FCRA.

OTHER OBLIGATIONS FOR ACCOUNT VERIFICATION SERVICE

If Client is classified as an FSC, Client shall be bound to those NSD Operating Rules as applicable to the AV Service including but not limited to those Authorized Uses of the AV Service as that term is defined in the NSD Rules. The NSD Servicer shall have the right, during normal business hours, and not more than once per calendar year, and upon reasonable advance notice, to conduct an online virtual review with Client only to verify Client's compliance with the terms of the Documentation and the NSD Rules applicable to Client.

Upon request by Client, and via access to an online portal, the NSD Servicer shall provide to Client a copy of its most recent Annual Risk Reports (ARR). If, in addition to the information provided by the NSD Servicer as described, if Client is classified as an FSC and Client requires to conduct an onsite audit of the NSD Servicer's information security program outside of the NSD Servicer's regularly scheduled consolidated on-site audit periods (which are free to Client), then a daily fee shall be assessed to Client for the on-site audit. Any on-site audits (i.e., outside of the regularly scheduled consolidated on-site audit periods) shall not begin until the daily fee for each, as applicable, has been agreed upon by the parties. Fees related to these on-site audits will be billed to Client separately from fees for the Account Validation Service. However, any on-site audit that is triggered by a regulatory agency order or a court order will not result in a daily fee as set forth herein.

If, in addition to the information provided by the NSD Servicer as described above, Client requires that the NSD Servicer complete a questionnaire regarding the NSD Servicer's information security program, then a standard fee shall be assessed to Client for the questionnaire, as established by the NSD Servicer. Any completion of a questionnaire in this instance shall not begin until the fee has been paid by Client. Fees related to the completion of questionnaires by the NSD Servicer will be billed to Client separately from fees for the Account Validation Service.

The NSD Servicer may suspend the Account Validation Service for Client, upon written notice to M&T, if Client does not comply with the applicable requirements of the Documentation or the NSD Operating Rules as applicable to Client or if the NSD Servicer is unable to verify Client's compliance with the applicable requirements of the Documentation or the NSD Operating Rules.

Client acknowledges and agrees that the NSD Servicer is a third-party beneficiary of the Documentation, and the NSD Operating Rules as they are applicable to Client and the NSD Servicer retains the right to enforce the terms of Documentation, including the NSD Operating Rules against Client as they are applicable to Client.

Client agrees that Response Data is time-sensitive and only intended to be used in connection with the specific Inquiry for which it was requested.

Client further agrees that the NSD Servicer shall have no liability arising out of any Documentation between M&T and Client, including, without limitation, any duties, or obligations (contractual, at law or otherwise) owed by M&T to Client or by Client to M&T under the Documentation.